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THESIS

THE ROLE AND FUNCTION OF THE
NAVY OFFICE OF LEGISLATIVE AFFAIRS IN THE
CONGRESSIONAL PROGRAM AUTHORIZATION AND BUDGET PROCESS

by

Blair Perkins Stephenson

December 1990

Thesis Advisor: L. R. Jones

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**The Role and Function of the
Navy Office of Legislative Affairs in the
Congressional Program Authorization and Budget Process**

by

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Lieutenant, United States Navy
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Submitted in partial fulfillment of the
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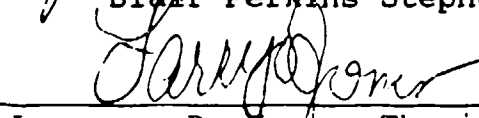
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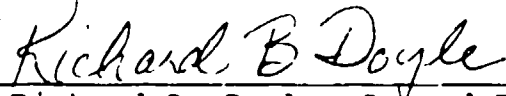
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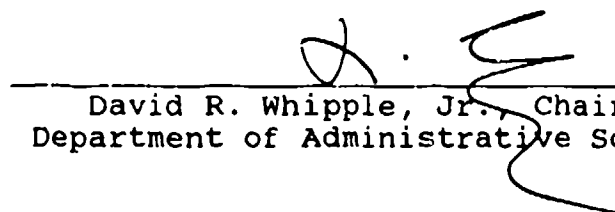
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ABSTRACT

This thesis examines the role and function of the Navy Office of Legislative Affairs (OLA) in the congressional program authorization process and the budget process. Specifically, the thesis addresses the following: (1) the defense budget process beginning with Department of the Navy administrative budget formulation at the headquarters level through congressional action in budget enactment, (2) the role and mission of the Office of the Navy Comptroller, providing an overview of the Navy's administrative and legislative phases of budget formulation, (3) the role and mission of the Office of Legislative Affairs in the budgetary process, detailing OLA's relationship with Congress and the Office of the Navy Comptroller, and (4) evaluation of the effectiveness of the Office of Legislative Affairs in its role as the legislative liaison in the Congressional budget authorization process.



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LIST OF ACRONYMS

ASN(FM)---	Assistant Secretary of the Navy for Financial Management
BEA-----	Budget Enforcement Act of 1990
CBO-----	Congressional Budget Office
CINC-----	Commander in Chief
CLA-----	Chief of Legislative Affairs
CMC-----	Commandant of the Marine Corps
CNO-----	Chief of Naval Operations
CPAM-----	Chief of Naval Operations' Program Analysis Memorandum
DCLA(N)---	Deputy Chief of Legislative Affairs (Navy)
DCLA(MC)--	Deputy Chief of Legislative Affairs (Marine Corps)
DoD-----	Department of Defense
DoN-----	Department of the Navy
DPS-----	Decision Package Sets
DRPB-----	Defense Resources and Planning Board
FY-----	Fiscal Year
GAO-----	Government Accounting Office
GRH-----	Gramm-Rudman-Hollings Act of 1985
HAC-----	House Appropriations Committee
HASC-----	House Armed Services Committee
HBC-----	House Budget Committee
JCS-----	Joint Chiefs of Staff
NAVCOMPT--	Navy Comptroller
NCB-----	Director of Budgets and Reports
NCBE-----	NAVCOMPT Appropriation Matters Office
OLA-----	Office of Legislative Affairs
OMB-----	Office of Management and Budget
OSD-----	Office of the Secretary of Defense
PDM-----	Program Decision Memoranda
POM-----	Program Objective Memoranda
PPBS-----	Planning, Programming and Budgeting System
SAC-----	Senate Appropriations Committee
SASC-----	Senate Armed Services Committee
SBC-----	Senate Budget Committee
SECDEF----	Secretary of Defense
SECNAV----	Secretary of the Navy
SYDP-----	Six-Year Defense Plan

I. INTRODUCTION

This thesis focuses on the Office of Legislative Affairs' role as it relates to the Comptroller of the Navy in support of the Department of the Navy's annual budget. The Navy Chief of Legislative Affairs has responsibility for the coordination and processing through Congress of all legislative proposals of the Department of the Navy other than those affecting appropriations and related financial matters. The Comptroller of the Navy (NAVCOMPT) is liaison with Congress on appropriations related matters. The Office of Legislative Affairs (OLA) supports the Comptroller in this effort and works with Congress on all other legislative matters.

The objective of this thesis is to (1) define the roles and functions of OLA in the authorization process and the budget's legislative and approval process and to (2) define OLA's relationship with Congress and NAVCOMPT. The Office of Legislative Affairs' role in the budget process has never officially been defined. No Naval directives, regulations, instructions, or guidance have ever been published or issued regarding OLA's roles and functions in this area, and OLA's relationship with Congress and NAVCOMPT has been relatively unknown to outsiders of the budget process.

Specifically, this thesis addresses the following: Chapter II outlines the U.S. Government's budget process

beginning with the Department of the Navy's (DoN's) administrative budget formulation process, or the Planning, Programming and Budgeting System (PPBS), and continues with Congress' role in the budget formulation process. Chapter III presents an overview of the roles and mission of the Office of the Navy Comptroller (NAVCOMPT) and gives an overview of its role in the Navy's administrative and legislative process in DoN budget formulation. Chapter IV defines the mission of OLA and its supporting role to the Navy Comptroller in the budget's legislative and approval process and also details its relationship with Congress. An evaluation of the effectiveness of OLA is included in this chapter. Finally, Chapter V draws conclusions regarding OLA's mission, role, and function in the Department of the Navy's budget process.

Because of the lack of information on OLA's role in support of authorizations and the budget approval process, much of the research data involving OLA was collected through interviews and direct contact with OLA and NAVCOMPT. Other data were collected by examining Naval Instructions and policies. Other information for the thesis was collected from various sources in the Pentagon Library and the Library of Congress.

Although OLA has no role in the actual budget formulation process, they do assist NAVCOMPT with the administrative and legislative process in presenting the DoN's budget to Congress. The Office of Legislative Affairs' relations with

Congress in the budget process are severely restricted by legislation. However, its role is very important in providing witnesses and information to support the Navy's requested budget. The Office of Legislative Affairs plays an integral part in the DoN's effort to acquire maximum dollar appropriations from Congress. The OLA assists NAVCOMPT by tracking the budget through various committees in Congress. This assistance provides critical information to the Secretary of the Navy and the Office of the Navy Comptroller, allowing them to follow funding decreases, shifts or increases and program cuts. Although OLA's role in the budget process may be small, it is critical to the Navy in funding desirable Navy programs and maintaining a coherent force structure.

II. THE BUDGET PROCESS

A. INTRODUCTION

The budget system of the U.S. Government is based upon a structure for financial administration that has as objectives the efficient management of programs in relation to the requirements of the nation for effective financial control.

This chapter presents an overview of the formulation of the Department of the Navy's (DoN's) budget, a subset of the Department of Defense's (DoD's) budget, as well as the U.S. Government's budget process. This chapter only describes the budget process and makes no assessment to the utility of the process itself.

There are four main stages of the Navy's budgetary and fiscal process [Ref. 1:p. 1:5]: (1) Request for Funds: Executive Formulation and Transmittal; (2) Negotiation and Enactment: Congressional Authorization and Appropriations; (3) Distribution and Control of Funds: Budget Execution and Control; and (4) Obligation and Accounting for Use of Funds: Audit and Internal Review. Because this thesis' focus is OLA's supporting role in the budget process, only the first two budget stages will be discussed.

The first stage begins with the Planning, Programming, and Budgeting System (PPBS) as used by the Department of Defense (DoD). The second stage examines the authorization and

appropriation phases within the U.S. Government's budget formulation and approval process.

B. NAVY'S REQUEST FOR FUNDS USING PPBS

The Navy Department, as well as the entire Defense Department, begins preparation of its budget 16-17 months before it is submitted to Congress. The Department of the Navy follows DoD guidelines in using a relatively formalized process known as the Planning, Programming and Budgeting System (PPBS), introduced in 1961 by then Secretary of Defense Robert S. McNamara. This system currently operates on a biennial basis for each two fiscal years and projects into future budgets by four years. Figure 1 [Ref. 2:p. 34] shows a diagram of the process. In the simplest view, the PPBS in the Defense Department is an attempt to arrive at the most effective allocation of resources to accomplish specified objectives in national defense.

In brief, on an annual basis, PPBS works in the following way:

1. Planning

The cornerstone to all planning and the real foundation of the PPBS is the collection and evaluation of strategic intelligence. Once the overall threat to the security of the United States has been appraised, a national strategy for defense can be developed to counter that threat.

The planning phase is focused on drafting a classified document (The Joint Intelligence Estimate for Planning)

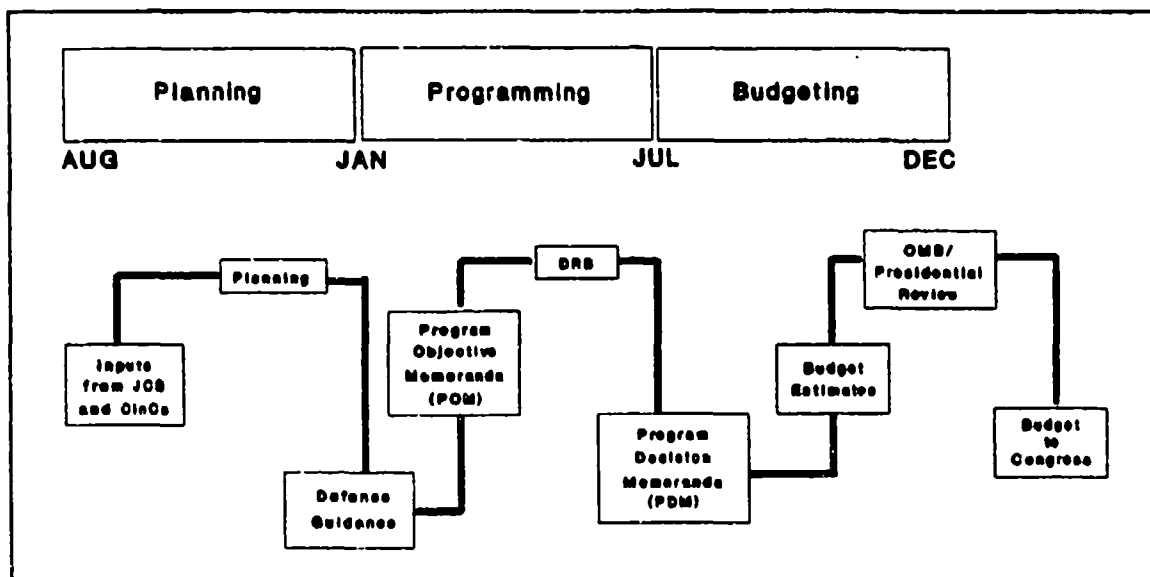


Figure 1. Department of Defense's PPBS

written by the Secretary of Defense and his staff after consultation with the Joint Chiefs of Staff (JCS). The plans outline strategy and force objectives for the long-range (10-20 years in the future), mid-range (2-8 years) and short range (one year) periods.

The planning phase lasts about six months, beginning in August with comments from Commanders-in-Chiefs (CINCs) of the Unified and Specified Commands to the Joint Chiefs of Staff, and ending in late January or thereabouts with issuance of the Defense Planning Guidance.

The Defense Planning Guidance provides the basic rationale and justification for DoD's programs and budgets. Specifically, it includes an assessment of the military threat to U.S. interests; a statement of U.S. defense policy and strategy; a general assessment of the military requirements for defending national interests; and an assessment of the

material and financial resources available for defense programs in the future.

2. Programming

The basic purpose of the programming phase is to translate, on an annual basis, approved concepts and objectives contained in Department of the Navy plans into a definite structure expressed in terms of time-phased resource requirements including human resources, monies, and material.

The programming phase lasts from about February through July of the year before the President submits the defense budget. During this phase, the Navy calculates the number and types of forces needed to satisfy the general military requirements specified in the Defense Planning Guidance within general fiscal and resource constraints.

Each military service constructs a detailed list of proposed programs for six-year periods and submits its proposals in the form of Program Objective Memorandas (POMs). The POM begins at the activity level and is submitted by the appropriate program manager through the chain-of-command to the Secretary of Defense (SECDEF) each May. Because the POM must withstand stringent examination by the Office of the Secretary Of Defense (OSD) during the Programming Phase, it receives extensive DoN review for technological consideration, economic feasibility, and political ramifications. Only those objectives capable of being fully justified are included in the POM.

The POMs are then forwarded to the Defense Resources and Planning Board (DRPB), a high level DoD group that assists the Secretary of Defense (SECDEF) in managing the Planning, Programming, and Budgeting process. The DRPB's decisions regarding Service programs are formalized in Program Decision Memoranda (PDM). Upon receipt, the PDM guide the revised budget base for the DoN. The approved programs are then organized by Major Force Programs, or DoD programs which are organized into large, yet specific categories for funding purposes. These Major Force Programs comprise the DoD's Six-Year Defense Plan (SYDP).

The Six-Year Defense Program (SYDP) is the publication that records, summarizes, and displays the budget decisions that have been approved by SECDEF as constituting the DoD's program. It is a tool that keeps management informed on what has been accomplished in the past and what is to be accomplished in the future to support national strategy decisions.

The DoN's six-year plan, contributing to the DoD SYDP, is summarized, displayed, and distributed as the publication Department of the Navy Six-Year Program. It contains the programs for which the Secretary of the Navy is responsible. In order to be funded, Navy programs must be incorporated into OSD's SYDP as it forms the basis for the Navy portion of the DoD's biennial budget submission.

The Chief of Naval Operations Program Analysis Memorandum (CPAM) is then prepared by the Office of the Chief of Naval Operations, which presents an overview of the approved Six-Year Program. Each CPAM identifies major issues and alternatives based on considerations of costs and capabilities. The individual CPAM's are: strategic forces, sea control, command, control, and communication, human resources and training, projection, general support and logistics, fleet support and mobility, and summary CPAM.

3. Budgeting

The Department of Defense is required to provide a biennial (two-year) budget to Congress. The first year of the submission is used for the DoD's budget submission for the current year's budget; the second year of the biennial budget's submission is used the following year but is updated to reflect current budget and military needs.

Naval activities begin formulating their budgets in March or April, and forward their proposals to NAVCOMPT via their chain-of-command.

The headquarter's formal budgeting phase lasts from about August to late December before the budget is submitted to Congress and involves calculating the financial requirements of the approved programs in the Six-Year Defense Plan in detail using the latest economic and inflation assumptions provided by the Office of Management and Budget (OMB). The OMB works closely with all the military

departments and the DRPB throughout the Planning stage to ensure that program decisions are based on realistic cost projections. Program budgets are then organized into the appropriation format required by Congress.

The final output of the budgeting phase is a budget for the next two fiscal years that reflects the first two years of the SYDP. Thus, during the period June through December 1990, a budget was formulated for Fiscal Year (FY) 1992, and FY 1993, which will be incorporated into the required biennial DoD budget.

After the Secretary of Defense approves the DoD's budget, it is forwarded to OMB for analysis and review, and then is sent to the President. With his advisors, the President reviews the budget proposals of the Department of Defense and other federal government agencies in the context of overall fiscal policy and administrative objectives. In November, approximately, a decision is made on the size of the defense budget to be submitted to Congress and final adjustments are made by DoD to bring its budget in line with the approved level.

C. THE BUDGET OF THE U.S. GOVERNMENT

The Constitution gives Congress the power to allocate the resources of the Federal Government. In order to accomplish this task, Congress has developed what may be viewed as three fiscal processes.

The first fiscal process is the development of the congressional budget resolution, created by the 1974 Budget Act. Under this process, Congress annually establishes an overall fiscal policy on total spending and revenues and how total spending should be divided among the major functions of government, including defense. Gramm-Rudman-Hollings (GRH) and the 1987 Reaffirmation Act expanded the budget procedures.

Secondly, Congress has an authorization process that establishes federal programs and sets general spending guidelines to respond to national needs.

The third process is known as the appropriations process. While the authorizing committees establish federal programs, and authorize expenditures in support of those programs, the Appropriations Committees in each House of Congress provide the funds. The next section focuses on the budget authorization and appropriation processes as they apply to the Department of the Navy.

1. **Congressional Budget & Impoundment Control Act of 1974 and the Role of the Budget Committees**

On July 12, 1974, after fifty years of operating under a budget system established by the Budget and Accounting Act of 1921, Congress recognized that the Constitutional control of the budgetary process was too much in the hands of the President. The President and his various administrative departments had resources to prepare and analyze the budget. Congress had a fragmented budget process which caused delays in decision making and funding. Congress was not organized to

review the budget as a whole; each bill or budget proposal was reviewed piecemeal on its own merits. No systematic procedure existed for an overall review by the Congress of the balance between revenue and expenditures. Further, the President was able to modify the will of Congress by impoundment of funds appropriated by Congress. This inability of Congress to control the fiscal affairs of the nation led to the enactment of the Congressional Budget and Impoundment Act of 1974 (PL 93-344).

In order to implement major changes in the congressional budget process, the Act created the Senate and House Budget Committees and the Confessional Budget Office (CBO).

The Budget Committees of the Senate and House were given the authority to draft Congress' annual budget plan for the federal government as a resolution for consideration by the full Senate and House. Unlike the authorizing and appropriation committees, which focus on individual federal programs, the Budget Committees focus on the federal budget as a whole and how it affects the economy.

The Congressional Budget Office supports the congressional budget process by providing economic and program analyses and cost information on existing and proposed federal programs. The Budget Committees are major users of such information, along with other committees and members of Congress who are involved in the budget process.

2. Authorization and Appropriation

Congress exercises direct budgetary control over the Department of Defense and the Department of the Navy through authorization acts and appropriation legislation. These two decision steps must occur before the federal government can spend money on an activity. First, an authorization must be passed creating or modifying a program. Secondly, an appropriation must be passed enabling an agency or department to (1) make spending commitments and (2) spend money.

a. Authorization Acts

An authorization act is substantive legislation enacted by Congress that sets up or continues legal operation of a federal program or agency either indefinitely or for a specific period of time or sanctions a particular type of obligation or expenditure within a program. Authorizing legislation is usually a prerequisite for subsequent appropriations or other kinds of budget authority to be contained in appropriation acts. Such legislation may limit the amount of budget authority to be provided subsequently or may authorize the appropriation of such sums as may be necessary. [Ref. 3:p. 440]

b. Appropriation Acts

An appropriation is an act of Congress that permits agencies to incur obligations and to make payments out of the Treasury for specified purposes. An appropriation act is a statute that provides for funds for federal programs. An appropriation act generally follows enactment of authorizing legislation unless the authorizing legislation itself provides the budget authority. [Ref. 3:p. 440]

Authorizations and appropriations are, therefore, the key determinants of how much money will be spent on defense programs. In almost all cases, however, an appropriation for a given activity cannot be made until the authorization is enacted. No money can be spent on a program

unless it first has been allowed (authorized) to exist. Conversely, if a program is authorized but no money is provided (appropriated) for its implementation, that activity cannot be carried out. Therefore, both an authorization and an appropriation are necessary for an activity to be included in the budget.

c. Budgeting Committees

The major committees responsible for legislation pertaining to the defense budget are the Budget Committees, the Armed Services Committees, and the Appropriations Committees of both the House and the Senate. As Table 1 [Ref. 2:p. 38] shows, there are typically a minimum of 22 occasions in the annual congressional defense budget process when votes occur on the defense budget (not counting votes that may occur to modify or approve alternatives to GRH sequestration).

3. Congressional Budget Process, Sequence and Timing

The Budget of the United States Government, as submitted by the President and approved by Congress, of which the Department of Defense's budget is a subset, is the principal instrument by which tax and other revenues are directed into specific areas of action for expenditure.

The word 'budget' has many different meanings. The Department of the Navy Budget Guidance Manual (NAVCOMPINST 7102.2A) defines a 'budget' as follows:

A budget is a document which expresses in financial terms a plan for accomplishing an organization's objectives during a specific period of time. It is an

TABLE 1. MILESTONE VOTES ON THE DEFENSE BUDGET

Action	House	Senate
<u>Budget Resolution</u>		
Budget Committee	X	X
Floor Action	X	X
Conference Committee	X	X
<u>Authorization Legislation</u>		
Armed Services Committee		
Sub-Committee Mark-Up	X	X
Full-Committee Mark-Up	X	X
Floor Action	X	X
Conference Committee	X	X
<u>Appropriation Legislation</u>		
Appropriation Committee		
Defense Sub-Committee Mark-Up	X	X
Full-Committee Mark-Up	X	X
Floor Action	X	X
Conference Committee	X	X
TOTAL VOTES	<u>11</u>	<u>11</u>

instrument of planning, decision making and management control. The budget is also an instrument of fiscal policy and statement of national priorities. [Ref. 4]

In 1985, Congress voted to require the DoD to submit a two-year budget proposal for defense programs beginning with the FY 1988 budget submission. The Administration submitted a two-year defense budget for FY 1988-1989, for purposes of authorization and appropriations, and again for FY 1990-1991. However, Congress considers and acts on the defense budget in a one year time frame.

The remainder of this chapter focuses on the budget as submitted by the President and approved by Congress. Table 2 [Ref. 5:p. 30] is an outline of how the process is supposed to operate by law.

TABLE 2. DATELINE OF THE BUDGET PROCESS

January 8	President submits budget to Congress.
February 15	CBO submits report to budget committees on President's budget.
February 25	Committees submit their "Views and Estimates" to the budget committee in their own house.
April 1	Senate Budget Committee reports congressional Budget Resolution to full Senate.
April 15	Congress completes action on Budget Resolution.
May 15	Appropriations bills may be considered by the full House even if Budget Resolution has not yet been passed.
June 10	House Appropriations Committee must report final appropriation bill to the full House.
June 15	President submits mid-session review and budget review to Congress updating the economic and technical assumptions provided in January for use in appropriation and possible GRH sequestration.
August 15	OMB and CBO estimate separate deficit levels. President must notify Congress if he wants to exempt all or part of military personnel from possible GRH sequestration.
August 20	CBO sends initial sequestration report to OMB and Congress.
August 25	OMB sends initial sequestration report to President and Congress. President issues initial sequestration order.
August 25- October 15	If desired and possible, Congress and President develop and enact alternative deficit reduction proposal.
October 1	Fiscal year begins, and initial sequestration order takes effect if necessary.
October 10	CBO issues final sequestration report to OMB and Congress.

a. The Fiscal Year

In order to keep track of revenues (receipts) and expenditures, the Federal Government has established a 12-month period known as the fiscal year. In the 1974 Budget Act, the fiscal year was shifted forward from July 1 through June 30 to October 1 through September 30. This change was implemented in 1976. The fiscal year is designated by the calendar year in which it ends.

b. January: Submission of the President's Budget

No later than the first Monday after January 3, the President is required to submit to Congress his budget request for the upcoming fiscal year, which gives Congress the basic foundation for building its annual budget. Congress and the President may, and often do, modify the timing of budget submission by mutual agreement. To meet this deadline, the Administration must begin preparing its budget request the prior spring and summer. The President must, however, not exceed maximum deficit levels as set forth in the 1985 Gramm-Rudman-Hollings Act and the 1987 Reaffirmation Act, unless Congress and the President agree to suspend the GRH rules as occurred in the fall of 1990. In November 1990, the Budget Enforcement Act (BEA) of 1990 was passed, significantly altering the procedures established by GRH. However, analysis of BEA and its implications for future defense budgets and the role of OLA are beyond the scope of this thesis.

c. February: Budget Committee Hearings

After receiving the President's budget request, the Senate and the House Budget Committees (SBC and HBC) solicit and analyze what are called "Views and Estimates" from all the appropriations committees on what should be provided to those committees. The SBC and HBC then hold hearings at which they receive testimony from Administration officials, and experts from academic, business and other specialized communities. By February 25, other committees of Congress must submit to the Budget Committee in their own house their "Views and Estimates" on appropriate levels of funding within their jurisdiction. In addition, during February, CBO sends to the Budget Committees its annual report analyzing the President's request, budgetary options, and the economic outlook.

d. March: Draft of the Budget Resolutions

The Senate and House Budget Committees each draft a congressional budget plan during March in a series of public committee meetings called "mark-ups," using the President's budget request, information from other committees, and CBO's reports. The budget plan is known as the Concurrent Resolution on the Budget or Budget Resolution.

Budget Resolutions set forth budgetary levels for each budget function for the upcoming fiscal year and planning levels for the following two fiscal years. Budget Resolutions also indicate receipt levels (revenues) and borrowing

authority for federal departments and agencies. Three basic parts make up a budget resolution: (1) budget totals, (2) spending, broken down by budget function, and (3) reconciliation.

The budget totals set forth what the Congress considers to be the appropriate amounts for total spending, total revenues, and the resulting deficit or surplus. In setting these budget totals, Congress indicates its overall spending priorities while considering the impact of the federal budget on the national economy, and thus establishes Federal fiscal policy for the upcoming fiscal year.

The second basic part of the budget resolution, federal spending broken down by function, gives the Congress a mechanism for establishing Federal spending priorities. This provides guidance for all other committees, especially authorization and appropriation, when they consider their spending legislation, and for Congress as a whole when it reviews those bills. The budget resolution accomplishes this by dividing up federal spending among 21 different classifications, known as "budget functions," which provide the Congress with a means of allocating Federal resources among broad categories of spending.

The final phase of the budget resolution process, or reconciliation, is discussed later in this chapter.

e. April 15: Budget Resolution

When the Budget Committees complete the formulation of the Budget Resolution, they report their respective resolutions to the full Senate and full House. All Members of the Senate and House then have an opportunity to alter the work of the Budget Committees by offering amendments to the budget resolutions as they are debated on the Senate or the House floor.

When the Senate and House have both passed their respective versions of the budget resolution, the senior Member of the majority party of the Senate and the Speaker of the House select several Members for a conference committee to resolve the differences between the Senate- and House-passed resolutions. When differences have been resolved, each chamber must then vote on the compromise version of the budget resolution, which also must conform to the maximum GRH deficit amounts. The 1974 Budget Act sets April 15 as the date for completion of this work, although no penalty exists for completing the process later.

Because the Budget Resolution is designed solely to guide Congress in its detailed deliberations on the budget, it is in the form of a Concurrent Resolution which is agreed to by both Houses but is not public law. The President does not receive and sign the Budget resolution as he does for normal legislation.

f. April 15 - June 15: Reconciliation

The third and last part of the budget resolution process includes a procedure known as "reconciliation" that directs committees to change existing law. This procedure forces Congress to change existing laws in order to stay within the legal constraints of fiscal policy.

Under reconciliation, the Congress directs its committees to report legislation by a certain date that decreases spending or increases revenues by a specified amount by making changes in laws within the committees' respective jurisdiction. Reconciliation instructions do not specify individual program changes, although the budget committees usually make assumptions about which ones should be affected.

After the various House and Senate committees have reported their recommendations to the Budget Committees, the Budget Committees package the committees-reported reconciliation legislation together and the Congress considers it as a single reconciliation bill. Any Member of the Senate or House may object to any amendment to a reconciliation bill that would cause deficit levels to increase. Any changes ordered through reconciliation are supposed to be enacted by June 15.

g. April 15 - September 30: Authorization and Appropriation

After Congress has adopted a budget plan, it proceeds to work on specific spending and revenue measures, plus any reconciliation legislation mandated by the budget

plan. Between the passage of the Congressional Budget Resolution and the beginning of the fiscal year on October 1, Congress is expected to complete action on all authorization and appropriation legislation. These bills comprise the actual commitments of federal funds to specific programs, and because they require the President's signature to become law, they can be vetoed.

The Armed Services Committees, created in 1946, are responsible for reporting defense authorization legislation to Congress, although most of the Congressional review occurs at the sub-committee level. Over the years, the Armed Services Committees have taken greater interest in authorizing funding for individual defense programs and now authorize funding at almost the same detailed line-item level as the Appropriation Committees. [Ref. 2;p. 44]

Although there is no formal deadline for deliberations for the Authorization Committees, the House Appropriations Committee is supposed to complete its deliberations on the last annual appropriation bill for the coming year and report it to the full House by June 10. The House is supposed to pass its version of each appropriation and send it to the Senate by June 30.

The Office of Management and Budget (OMB) submits a mid-session review of the President's budget proposal to Congress by July 15. The mid-session review includes

re-estimates of the President's proposed budget based on the most recent forecast of the economy.

In the past, action on appropriations bills has not always been completed by October 1, necessitating the passage of a "Continuing Resolution" to provide appropriations on a temporary basis until the regular fiscal year appropriation bills are enacted. A Continuing Resolution is a form of appropriation bill and should not be confused with the Budget Resolution.

h. Appropriation and Sequestration Under GRH

The Balanced Budget and Emergency Deficit Control Act of 1985, and its revision of 1987, both referred to as Gramm-Rudman-Hollings (GRH), set forth laws and regulations requiring seven year, sequential reductions in federal spending or increases in receipts until the deficit is reduced to zero. Congress extended the initial five year plan to seven with the revision of 1987. Under the 1987 GRH revision, the budget was to have been balanced by 1993. However, Congress and the President have revised this plan and the targets in the BEA of 1990.

The two most significant changes resulting from the GRH ACTS were (1) setting of specific deficit targets--"maximum deficit amounts"--that the President and Congress were directed to follow, and (2) a new enforcement mechanism--"sequestration"--that has been used to cut federal spending by whatever amount needed to reach the deficit maximum for the

coming year when the President and Congress are able to agree on deficit reduction plan of their own.

The President is required to submit a budget in January that does not exceed the annual deficit target figure determined by GRH. His budget, however, is only one alternative. Congressional budget resolutions must also conform to the deficit targets set by GRH.

On August 15, OMB and CBO issue a joint report estimating revenue, expenditures, and typically, the gap between them at that moment in time for the next fiscal year beginning October 1. This early warning is designed to alert all the players in the budget game that within approximately six weeks, monies will be cut across-the-board if budget legislation conforming to GRH has not been enacted.

Between August 15 and October 1, Congress works on meeting budget restraints as set forth by GRH. On August 25, the Director of OMB issues to the President and Congress a preliminary report on the deficit and the sequestration cuts that may be needed.

Congress and the President have until October 1 to try to develop and pass an alternative plan to reduce the deficit by the amount required to reach the GRH maximums for the year, and enact the plan by October 15. If by October 1 an agreement on the budget is not reached by the President and Congress within the specifications of GRH, the sequestration order issued on August 25 becomes effective, and the President

must issue the final sequestration order by October 15. This final sequester order becomes effective immediately and cancels budgetary resources previously approved but withheld. If sequestration is required, half of the outlay reduction comes from funding reductions in defense programs and half from domestic programs.

Not all federal outlays are subject to reduction through GRH sequestration, which increases the funding cuts of other function including defense. Some outlays are fully exempted; others are partially exempted. The list of fully exempted programs, which account for about 50 percent of total federal outlays, includes, in part, the following: social security benefits, interest on the national debt, veteran's benefits and pensions, medicaid, and the food stamp program. The list of partially exempt programs which account for about 30 percent of total federal outlays, includes, among others, medicare and other health benefits (limited to two percent reduction). For defense, budgetary resources eligible for sequestration include new budget authority and unobligated balances associated with budget authority from previous years. Funding for military personnel can be exempt from sequestration by the President.

i. Enactment of Appropriations

After the defense budget appropriation is approved by Congress, or sequestration is ordered, the appropriation bill is forwarded to the President for signature. After the

President has signed the appropriation legislation, the measure becomes public law and is referred to as the "Department of Defense Appropriations Act." By this time, the President and the Department of Defense are again in the midst of budget formulation for the upcoming year.

D. CONCLUSION

This chapter focuses on the federal budget process, beginning with the Navy's Planning, Programming, and Budgeting System. The Department of the Navy has little influence over the congressional budget process. However, it can influence the funding it receives from Congress by administrative and legislative means. The following chapter outlines the responsibilities of the Office of the Navy Comptroller and examines the details of the DoN's internal budget process.

III. THE COMPTROLLER OF THE NAVY (NAVCOMPT)

Before examining the roles and functions of the Office of Legislative Affairs (OLA) in the budget process, the responsibilities and the organization of the Comptroller of the Navy (NAVCOMPT) are outlined. This chapter discusses the following issues peculiar to NAVCOMPT: the mission and responsibilities within the budget process, including formulation, presentation, and execution; the Navy's internal budget process; and finally, Congressional review, "mark-up", and approval of the Department of the Navy (DoN) budget.

A. ESTABLISHMENT, MISSION, AND RESPONSIBILITIES

The Office of the Comptroller of the Navy was established by order of the Secretary of the Navy (SECNAV) on 1 June 1950, pursuant to Title IV of the National Security Act Amendments of 1949 (10 U.S. Code, 5061). Since its inception, the mission of NAVCOMPT has been to formulate principles and policies, and prescribe procedures and systems to exercise effective control over the financial operations of the DoN. The Comptroller is responsible to the SECNAV for the preparation and execution of the Navy budget and for the DoN's relations with the Appropriations Committees for matters concerning DoN appropriations. [Ref. 6:p. 1:21]

The Assistant Secretary of the Navy for Financial Management (ASN(FM)) is assigned the responsibility of

fulfilling the duties as the Comptroller of the Navy. It should be noted that the position of ASN(FM) is an internal DoN organizational prerogative of the SECNAV, while the position of the Comptroller (NAVCOMPT) is required by Congressional statute. Figure 2 [Ref. 7:p. 27] shows the relationship of the ASN(FM) to the SECNAV and Secretary of Defense (SECDEF).

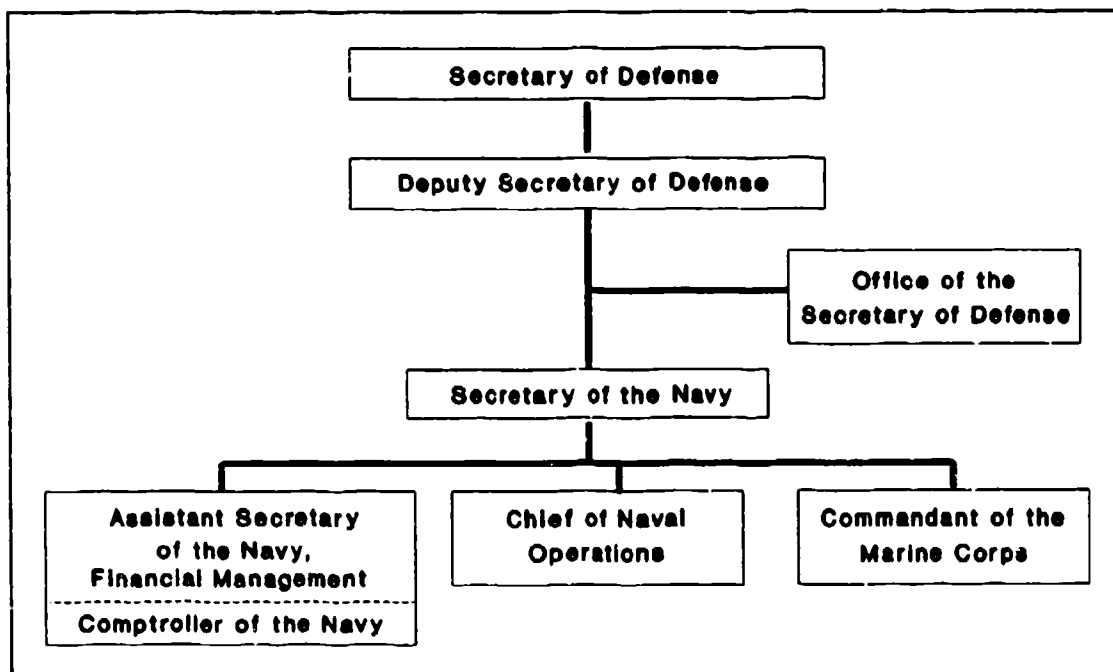


Figure 2. Department of Defense Organizational Structure (Simplified)

B. NAVCOMPT'S BUDGET PROCESS

As the financial arm of SECNAV, the Comptroller is delegated responsibility for performing the following functions: accounting, budgeting, development of financial management systems, internal auditing and review, education, training, and career development, program analysis, progress

reports and statistics, administrative and financial organization structure and managerial procedures related to such responsibilities within the DoN. [Ref. 6:p. 21]

This chapter focuses only on the Comptroller responsibility within the budget process. Specifically, focus is on the first two phases of the Navy's budget process, formulation and justification. The third phase, execution, is discussed only briefly.

The Comptroller of the Navy is assisted in fulfilling his financial responsibilities by the following individuals: Deputy Comptroller, Assistant Comptroller, Financial Management Systems, and the Director of Budgets and Reports (NCB). The organizational structure of NAVCOMPT is shown in Figure 3 [Ref. 7:p. 29].

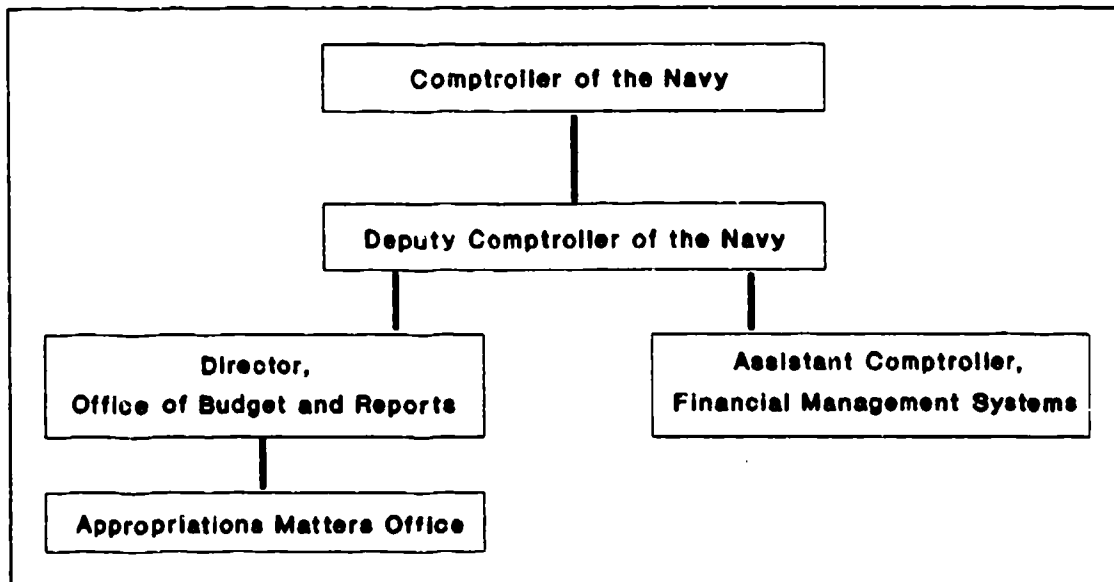


Figure 3. Office of the Navy Comptroller (Simplified)

The Deputy Comptroller, as directed, assists the Comptroller in all matters and respects. Specific daily duties of the Deputy Comptroller include the supervision and management of the Office of the Comptroller of the Navy and related field activities.

The Assistant Comptroller of Financial Management Systems provides assistance to the Comptroller by formulating policies and procedures to be utilized in the implementation of financial management systems designed to improve the effectiveness and efficiency of financial efforts throughout the Navy. [Ref. 6:p. 43]

The Director of Budgets and Reports serves in a dual capacity as the budget officer for the Secretary of the Navy (NCB) and as the Director for Fiscal Management (OP-82) for the Chief of Naval Operations. As budget officer for SECNAV, NCB has overall responsibility for the preparation, justification, presentation, and administration of the DoN budget, and is specifically assigned responsibility to maintain liaison with the Appropriations Committees for the Comptroller of the Navy and with the Surveys and Investigations staff of the House Appropriations Committee.

1. Formulation, Presentation and Execution

The Comptroller is responsible for establishing department-wide policies and procedures to be utilized within the DoN during the budget formulation process. Preceding the formal budget formulation process, NAVCOMPT assists the Chief

of Naval Operations (CNO) and the Commandant of the Marine Corps (CMC) in the preparation of the DoN Program Objective Memorandum (POM), which later provides the basis from which the DoN budget will be prepared. In addition, NAVCOMPT coordinates the preparation and updating of the Six-Year Defense Program (SYDP) data base for the Navy. The formulation phase continues with review, modification and approval of the estimates at all echelons of the DoN.

After the budget is formulated and forwarded to the Secretary of the Navy for approval, the Comptroller presents the DoN budget estimates concurrently to the Office of the Secretary of Defense (OSD) and the Office of Management and Budget (OMB) for review to be included in the President's Budget Submission. After the President's Budget Submission is finalized, NAVCOMPT is responsible for the presentation of the DoN portion of the budget before the appropriation committees.

After the budget is approved, NAVCOMPT reviews and submits apportionment requests to the OSD and OMB. The Comptroller then allocates funds to responsible offices and conducts a continuous review of the performance of allocations against approved budget plans and programs.

2. DoN's Internal Budget Process

Fifteen months prior to the start of the fiscal year (June/July), NAVCOMPT issues a call for the submission of budget estimates from all Navy activities. The budget call reiterates the required budget relationship to the POM, to

other decision documents, and to SECDEF fiscal guidance or modifications thereof. The Navy's process for budget formulation thus begins, as shown in Table 3 [Ref. 1;p. 4:13].

In August, the Director of Budgets and Reports, Office of the Comptroller (NCB), conducts informal DoN hearings to ensure that the budget estimates are in agreement with the POM and with SECDEF guidance. The budget review also entails detailed analysis of the financial requirements of the first annual increment of the SYDP.

The Director of Budget and Reports prepares a recommended budget "mark-up" based on his review and revised estimates. Following issuance of the "mark-up," NAVCOMPT, CNO and CMC representatives attempt to resolve differences regarding changes in proposed program funding with continued discrepancies resolved by SECNAV. After the budget is revised, assembled, and approved by SECNAV usually in September, it is forwarded to the Secretary of Defense.

TABLE 3. CALENDAR FOR BUDGET--FY 19BY (BUDGET YEAR)

June/July	NAVCOMPT Budget Preparation/ Submit Hearings
August	NAVCOMPT Budget "Mark-up" a. CNO Hearings b. SECNAV Hearings c. OSD Budget Call
September	OSD Budget Preparation/Submit NAVCOMPT Review of OSD Submission
October	OSD/OMB Hearings
November/December	DPSS/Reclamas

In October, one year prior to the fiscal year under consideration, OMB normally makes a joint review of the budget submitted by SECDEF. If necessary, witnesses from various DoN activities, such as Naval Air Systems Command or Naval Sea Systems Command, may appear to justify budget estimates.

On the basis of the OSD and OMB review, tentative budget decisions, called Decision Package Sets (DPSS), are made by SECDEF [Ref. 1:p. 4:11]. The SECNAV receives these DPSS and is afforded the opportunity to appeal each DPS with which he does not agree. These appeals, or reclusas, are prepared by the responsible DoN sponsor. SECDEF reviews each reclama and issues a final decision. When not appealed, DPSS become automatic. After all appeals have been reviewed, SECDEF finalizes the DoD budget and forwards it to the President sometime in December.

3. Congressional Review, "Mark-Up" and Approval

After the President submits his budget in January, the congressional review begins in early February. Hearings begin with "posture" statements from the SECDEF, the Chairman of the JCS, Service Secretaries, and Service Chiefs. Following delivery of posture statements, detailed hearings involving witnesses for the military departments and services are initiated.

Congressional review of the Defense portion of the President's budget is undertaken in both the Senate and the House. Authorization legislation is prepared by the Armed

Services Committee of the House (HASC) and Senate (SASC), and the appropriation legislation is prepared by the Defense Appropriations Subcommittees of the House and Senate Appropriations Committees (HAC and SAC). The military construction appropriation is reviewed and acted upon by a separate Military Construction Subcommittee and is enacted as a separate appropriation.

The committees conduct formal hearings at which SECDEF, SECNAV, CNO and CMC testify on the overall Department of the Navy budget. In subsequent hearings, witnesses from the DoN are questioned by congressional sub-committees and staff members on details of the programs and estimates of requirements as supported in the budget documents. Contacts between the DoN and the Armed Services Committees are coordinated by the Office of Legislative Affairs and those with Appropriations Committees by a NAVCOMPT office: the Appropriation Matters Office (NCBE). The responsibilities and duties of NCBE are discussed in detail in Chapter IV.

After completing its hearings, the HASC publishes a report containing committee recommendations and brings before the House of Representatives an authorization bill based on those recommendations. The House-passed bill is considered in hearings by the SASC before the full Senate passes a bill. Differences between the House and Senate versions of the bill are resolved by a joint conference committee composed of a small number of members from each of the two committees. From

the House, Members are chosen by the Speaker of the House and may serve on a committee other than the HASC, whereas Members from the Senate are selected by the chairman and ranking minority member of the SASC. The bill must again be passed by both chambers. The conference report is brought before each of the two legislative bodies and the final bill, once approved, is forwarded to the President for signature to complete the enactment process.

The same general process is followed in enacting appropriations legislation except that the bills go through the respective Appropriations Committees rather than the Armed Services Committees. After the bill is approved by both Houses, the legislation is forwarded to the President and signed as Public Law referred to as the "Department of Defense Appropriations Act."

C. CONCLUSION

In this chapter the functions and responsibilities of the Office of the Comptroller in formulating the Department of the Navy's budget were outlined. Specifically, NAVCOMPT has responsibility for formulating, presenting, and executing the budget. During the presentation phase, NAVCOMPT tracks the budget through the Appropriations Committees in Congress, while the Office of Legislative Affairs has the responsibility of providing assistance to the Authorization Committees, which is the focus of Chapter IV.

IV. OFFICE OF LEGISLATIVE AFFAIRS (OLA)

The Office of Legislative Affairs (OLA) has responsibility for the coordination and processing through Congress of all legislative proposals of the Department of the Navy, other than those affecting appropriations and related financial matters. The Office of Legislative Affairs (OLA) supports NAVCOMPT in the legislative process of the budget, specifically in the authorization phases.

Close working relations in the conduct of congressional affairs liaison among the various Navy Department bureaus, offices and commands, and between these components and the offices of Legislative Affairs and the Comptroller, are essential if the Navy's needs and views are to be presented effectively to Congress.

This chapter outlines the mission, roles, and responsibilities of OLA, presents a detailed investigation of OLA's supporting role to NAVCOMPT in the budget approval process, and briefly examines the effectiveness of OLA in meeting its goals and objectives within the legislative budget process.

A. ESTABLISHMENT AND MISSION

The Office of Legislative Affairs was officially established in 1956 by the Secretary of the Navy after existing for at least ten years as a special unit in a small

office on Capitol Hill. Prior to World War II, Navy congressional relations were handled directly by the various Naval bureaus affected. After the war, however, the Navy established a special demobilization liaison unit in an empty office on Capitol Hill to consolidate the workload in offices answering congressional inquiries, e.g., "Why isn't Johnny home yet?" The Navy was the first service to establish such an office and, because of its effectiveness in winning congressional support, the other services set up liaison units on the Hill in the late 'forties. [Ref. 8:p. 5]

As the liaison burden on the bureau officers who were responsible to Congress became heavier with the huge expansion in the size of the defense budget in the period 1950-1955, and with the increase in the responsibilities of national security, special units were created to handle legislation affecting Naval interests. By 1956, the Navy established an organization for congressional liaison, an office at the highest level of the DoN, directly responsible to the Secretary of the Navy. [Ref. 8: pp. 6-7]

It was also in 1956 that the Secretary of Defense (SECDEF) established his own Office of Legislative Liaison and appointed the first Assistant Secretary of Defense for Legislative Affairs [Ref. 8:p. 7]. This position reports directly to the SECDEF and has no jurisdiction over, or responsibility to, the Navy Office of Legislative Affairs.

Although the SECDEF OLA has no authority over Navy OLA, their missions are quite similar. The mission of the Navy Office of Legislative Affairs is to:

Plan, develop and coordinate relationships among representatives of the Department of the Navy and Members or Committees of the United States Congress and their staffs (except Appropriations Committees and Joint Committees on Printing Matters), and

Provide staff support, advice, and assistance to the Secretary of the Navy, the Chief of Naval Operations, the Commandant of the Marine Corps, and other principal civilian and military officials of the Department concerning Congressional aspects of the Department of the Navy (except Appropriations Committees and Joint Committee on Printing Matters). [Ref. 9:p. 1]

B. ORGANIZATION AND RESPONSIBILITIES

The Office of Legislative Affairs is a Department of the Navy Staff Office headed by the Chief of Legislative Affairs, a rear admiral (lower half), who is a staff assistant to the Secretary of the Navy (SECNAV). An organizational chart of the Department of the Navy (simplified) showing these relationships is provided in Figure 4 [Ref. 1:p. 2:2].

The CLA is assigned the authority and responsibility of discharging the legislative functions and responsibilities prescribed, subject to the supervision of the Under Secretary of the Navy. The CLA reports to SECNAV for legislative and congressional matters related to the policies of the DoN, but reports to the Under Secretary of the Navy for the administration of the Offices of Legislative Affairs. The organizational structure of the Office of Legislative Affairs is shown in Figure 5 [Ref. 9:p. 4]. No other office or entity

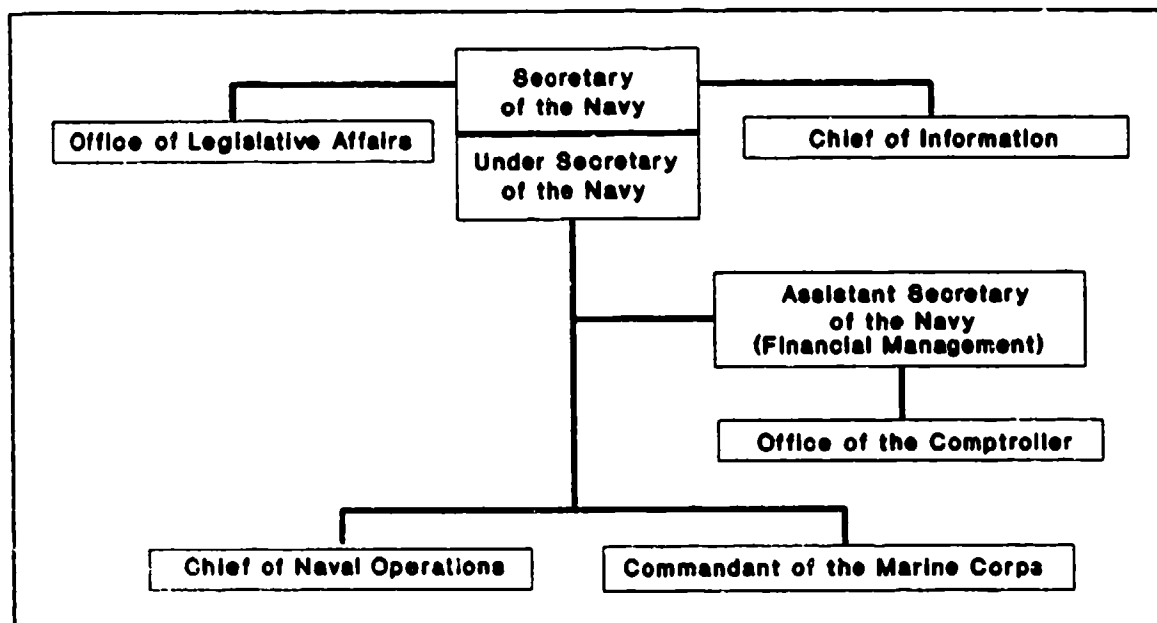


Figure 4. Organization of the Department of the Navy (Simplified)

within the DoN will be established or designated to conduct legislative affairs [Ref. 10:p. 1].

The CIA is assisted by the Deputy Chief of Legislative Affairs for Navy (DCLA(N)) Matters, billeted for a Navy captain, and a Deputy Chief of Legislative Affairs for Marine Corps (DCLA(MC)) Matters, billeted for a Marine Corps colonel. Although the CIA is normally a flag officer, the DCLA(MC) may bypass the CIA and report directly to the SECNAV regarding matters solely related to the Marine Corps. The Office of Legislative Affairs is divided into five divisions headed by Principal Deputies/Division Directors, all billeted for Navy captains. The divisions are Operations and Legislative Support, Senate Liaison, House Liaison, Legislation, and Navy Programs.

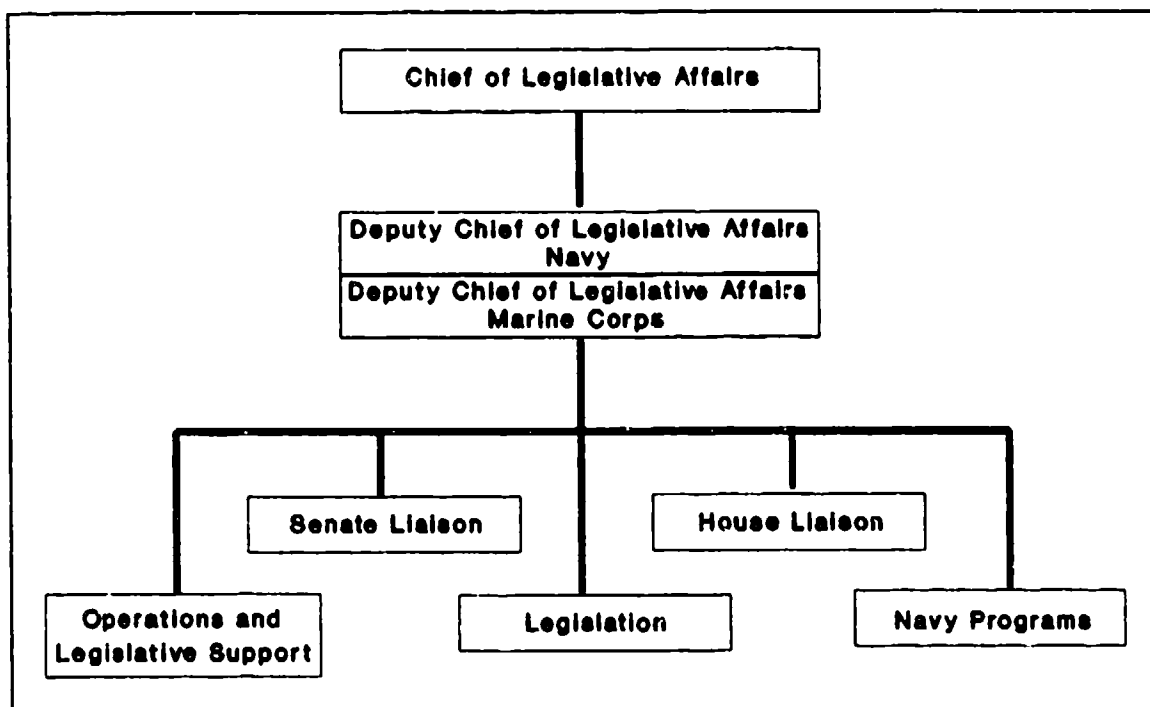


Figure 5. Organization of the Office of Legislative Affairs

The Director of Operations and Legislative Support is responsible for the timely and accurate notification of Congress of matters involving the DoN. The director screens daily all available Navy material to ascertain possible information for notification and is responsible for disseminating such information to other Principal Deputies/Division Directors. As the command's Public Affairs Officer, this position is responsible for liaison with the Chief of Information on matters of mutual interest, and also handles OLA media inquiries. Finally, the Director is responsible for conduct of congressional travel in regards to any Navy-related matters under the cognizance of SECNAV. [Ref. 9:pp. 10-11]

The Principal Deputies for the Senate and the House Liaison departments have the same function: to assist the CLA in developing and executing the legislative and programmatic objectives of the SECNAV and the Chief of Naval Operations (CNO). Both Deputies act as senior day-to-day representatives of the DoN and the CLA to the U.S. Senate or the House of Representatives and advise the CLA on all general matters pertaining to the appropriate House. Both Deputies provide assistance to Congress and liaison with Naval commands and organizations. Also, they redirect inquiries from Congress and respond with appropriate information or actions. In addition, the Deputies provide assistance to the Director, Navy Programs (OLA) as required in their roles as liaison to the Armed Services Committees on matters pertaining to the Budget Committees. Finally, both Deputies provide support to the authorization process by assisting the Navy OLA Program Director. [Ref. 9:pp. 16-18]

The Director of Legislation functions as the principal advisor regarding legislation or proposed legislation of interest to the DoN. With regard to the budget formulation process, he/she is responsible for the following: (1) To be aware of and implement the policy and limitations established by the Office of Management and Budget (OMB), OSD, and SECNAV on all legislative matters; (2) To direct coordination of the views within the DoN and DoD on enrolled enactments and to ensure preparation of the Department of the Navy's position

letters to OMB; and (3) To coordinate all matters pertaining to Military Construction Authorization and disposition of naval vessels. [Ref. 9:pp. 19-20]

Finally, OLA's Division Director of Navy Programs is responsible for providing direct liaison with the Senate and House Committees on Armed Services in matters pertaining to congressional authorization of Navy weapon systems, research and development programs, manpower initiatives, and operations and maintenance funds. Additionally, he/she provides liaison with the Budget Committees on matters involving investigations and inquiries into Naval facilities, and with the Select Committees on Intelligence on matters concerning intelligence activities and authorization of budget items over which they have control.

Regarding the DoN budget process, he/she: (1) maintains liaison with Congressional personnel, particularly Armed Services Committee staff directors and professional staff members, in order to obtain congressional views on pertinent defense budget issues, and (2) prepares Navy witness appearances before the Senate and the House Armed Services Committees, subcommittees, and other committees, as required, in connection with formal authorization hearings. [Ref. 9:pp. 18-19]

There are eight Program Officers who work within the Department of Naval Programs (OLA), billeted for lieutenant commanders, commanders and Navy captains, depending on the

billet. Each Program Officer represents and is responsible for specific warfare and weapon systems, research and development programs, or operations and maintenance funds. In order to obtain Congressional views on pertinent defense budget issues, each Program Officer expresses the DoN viewpoint on his/her program specialty by maintaining close liaison with Congress, specifically the Senate and House Committees on Armed Services and the Budget Committees. The Program Officer prepares witness appearances before the Senate and the House to support their programs, and supports Congress by fulfilling their requests for additional information or material concerning cognizant Navy programs. Such programs include: ships, aviation, submarines, research and development, operations and maintenance, Navy, command, control, communications, and intelligence, and budget.

The Marine Corps has a separate legislative liaison branch at Marine Corps Headquarters that works for the CLA and the Commandant of the Marine Corps (CMC). However, the Marine Corps also has representatives in the Office of Legislative Affairs in the Senate and House Liaison Offices, as well as a Program Officer in the Navy Programs Office. This position represents the Marine Corps procurement programs.

C. SUPPORT OF LEGISLATIVE PROPOSALS

The Office of Legislative Affairs' primary responsibility is to coordinate and administratively assist through Congress

all legislative proposals of the DoN other than those affecting appropriations and related financial matters.

The CNO, CMC, the Chief of a bureau/office or the commander of a systems command, such as Naval Air or Naval Sea, prepares and forwards Naval proposals to OLA. After coordinating the package with the appropriate agencies within the DoN, the proposed legislation is submitted to SECNAV for further legal preparations and finally, approval. Once approved by the Secretary of the Navy, the legislation is then forwarded to the offices of legislative liaison of the Departments of the Army and Air Force to obtain the coordinated views of their respective departments. Once the viewpoints are coordinated and approved by the military departments, the position is submitted to the General Counsel (DoD) with the recommendation that the proposal be made a part of the DoD Legislative Program for the current year.

Where there are differences among military departments on the proposed legislation, OSD resolves these before the General Counsel (DoD), forwards the legislation to OMB. The OMB evaluates the legislation to ensure it is in accord with the President's program, and, upon approval, notifies the General Counsel (DoD), who then notifies OLA.

Proposed legislation is then signed by the SECNAV and sent to the Speaker of the House and the President of the Senate, who refer proposals to the appropriate Senate and House Committees.

The Office of Legislative Affairs monitors the progress of bills, provides congressional Committee staff with materials to assist in their review, coordinates hearings scheduled by the Committees and sub-committees, and is responsible for the designation, appearance and scheduling of witnesses before the Congressional Committees, other than the Appropriations Committees and the Joint Committee on Printing. The Comptroller of the Navy is responsible for this function for the Appropriations Committees.

The OLA monitors and evaluates congressional proceedings and actions affecting the DoN by attending such hearings, and disseminates pertinent information to the appropriate DoD officials and offices. As the Members and Committees of Congress request information concerning DoN plans and programs, which appreciably affect their respective states, districts, and committee responsibilities, OLA provides the necessary information from the appropriate DoN source to Congress.

D. SUPPORTING ROLE TO NAVCOMPT

1. Functions

Due to the inseparability of appropriations matters from authorization measures, the closest coordination and cooperation must be maintained between the CLA and NAVCOMPT in congressional relations. [Ref. 11:p. 2]

The OLA supports NAVCOMPT in the budget process by working with the authorizations committees, tracking the

President's budget through various committees, and by providing current budget data and information from these committees to SECNAV, the CNO, and warfare program sponsors.

During the authorizations process, when legislation is in the Armed Services Committees of the House and Senate, contacts between the DoN and the committees are coordinated by OLA. The OLA provides the necessary witnesses who testify on behalf of the DoN. Witnesses often include experts from the office of the SECNAV or from the CNO's warfare program sponsors, and can include special witnesses or "rent-an-experts," i.e., people from research organizations such as the Rand Corporation, or government agencies such as the Center for Navy Analysis.

The OLA works directly with the witnesses by assisting in or preparing their statements and clearing these statements with OSD and OMB. Statements also are sent to the appropriate committees prior to the hearing, and are forwarded to OLA's Public Affairs for press release. When hearings are scheduled, OLA escorts witnesses to Capital Hill and assists them as needed throughout the hearings.

After the President's budget is submitted to Congress, OLA tracks it through the committees involved in the authorization process. The NAVCOMPT tracks the budget through appropriations committees. The OLA and NAVCOMPT track the budget not only for SECNAV, but for the program sponsor as well, so that up-to-date information on the funding status of

programs can be forwarded immediately. Both OLA and NAVCOMPT directors and staff are available to Congress during committee hearings to provide information required in support of Navy programs.

The Office of Legislative Affairs has, within the Navy Programs Division, one Naval officer who acts as the Budget Program Officer. This position, billeted as a Navy captain, is responsible for the functions and duties of budget functions listed above. As information regarding the budget is collected, it is disseminated to the SECNAV via the Director of Navy Programs and the CLA. Information is also forwarded to the appropriate program sponsors and other Navy organizations, as appropriate. All the "players" involved in the budget process need to be kept abreast of the latest actions and changes on the budget, in part so that congressional efforts to cut programs and budgets can be halted to preserve dollars and programs.

Although OLA has only one Budget Program Officer, other Program Officers also track their own program's budget through Congress. It is these individuals who actually report back to the program sponsor with current budget data.

2. Navy Appropriation Matters Office

The NAVCOMPT Office responsible for tracking Navy Appropriations Legislation is the NAVCOMPT Appropriation Matters Office, which operates as part of the Office of Budgets and Reports. Figure 3 shows this relationship within

NAVCOMPT. This office is currently staffed with two Naval officers and one civilian, and is headed by a Navy captain. The office also has one Marine Corps officer who interfaces with the Marine Corps Headquarters and NAVCOMPT, and assists the appropriation committees for Marine Corps affairs. This office has basically the same responsibility in appropriations matters as OLA has in authorization matters. However, OLA has additional responsibilities in providing information to numerous committees in support of Naval programs and matters. The NAVCOMPT Appropriation Matters Office prepares and assists witnesses during House and Senate Appropriations Committees (HAC and SAC) hearings. This office also has administrative responsibilities during the HAC hearings, such as answering phones and providing security clearances for admittance to the hearing.

The roles of the Offices of the Comptroller and Legislative Affairs in appropriations and authorizations legislation liaison are not restricted by law, but rather by recommendations presented in committee reports. The legislation forbids the military to lobby or actively seek the support of Congress for the authorization of or additional funding for programs. However, Congress does allow the military services to provide information as requested to support authorizations or budget proposals. It is, therefore, difficult to define "lobbying," for it may be argued that the

witnesses presented on behalf of a budget proposal or program are lobbying for their inclusion in the budget.

3. OLA Interaction with NAVCOMPT

As various programs are tracked through congressional committees, OLA's Budget Program Officer communicates frequently with the NAVCOMPT Appropriation Matters Office, ensuring that program funding continues from authorizations committees to appropriations committees. Although each office works independently of the other, the CLA meets regularly with the Comptroller to brief and debrief on the status of the proposed authorization legislation and budget.

The relationship between CLA and NAVCOMPT is strong and positive, although there are some issues related to coordination that are unresolved. The first issue involves their approaches to budget legislation: authorization matters for OLA and appropriations matters for NAVCOMPT. The OLA's approach appears to be more microscopic: each program officer tries to get specific programs and line-items authorized [Ref. 12]. The Program Officer in OLA presents expert witnesses in those areas of the budget that his/her Program Sponsor believes need emphasis or clarification. However, such programs, or line-items, may not necessarily be considered as high a priority by NAVCOMPT. Yet, the Program Sponsors and the OLA Program Officers advocate maximum funding in all areas of their portion of the DoN budget. The NAVCOMPT, on the other hand, tends to be more macroscopic in approaching budget

legislation: they place more emphasis on the appropriations and funding of major programs and high priority items [Ref. 13]. Although NAVCOMPT supports everything in the budget request, they do not have the ability to focus on individual programs as much as OLA. The end result is that when program or funding cuts are proposed, the two offices may place different emphasis on the funding of certain line-items or programs.

A second issue, as perceived by OLA, is NAVCOMPT's perception of who it works for during the budget formulation phase. OLA recognizes that it represents the SECNAV, but works with Congress as its client. The NAVCOMPT, on the other hand, perceives its client solely as the SECNAV during budget formulation and enactment, and tends to make decisions on a funding level or cost basis. OLA staff contend that it is the CNO, OPNAV and Navy Fleet Commands that should influence budgetary decisions and the Comptroller should be in support of their decisions. Therefore, at times, the OLA staff indicate that the NAVCOMPT does not always support and accommodate Congress as it should.

4. Flow of Information

Because OLA staff attend hearings on authorizations matters and NAVCOMPT staff attend hearings on appropriations matters, the two staffs must share information from their respective meetings to track the budget's progress. This is accomplished through a computerized report referred to as the

"side-by-side list" or the "differences-list." This report shows the Navy budget by line-item, and indicates funding cuts (or increases) by committees: HASC, SASC, HAC, SAC. The "side-by-side list" is updated after each committee convenes and is available to NAVCOMPT and OLA, and also is distributed to SECNAV, CNO, and program directors and sponsors Navy-wide. All budget cuts or changes in the budget are documented with footnotes on the bottom of the report. Detailed reports are provided from actual bills or reports, with reference and analysis of changes in the budget.

The OLA and NAVCOMPT also keep abreast of the Navy's position through various media resources. The CLA and Comptroller attend daily meetings and pass information on to their offices. Various point papers and reports written by senior military officials, as well as the SECNAV and the SECDEF, are also used for updating the Navy's position. Finally, reports by various Naval organizations support the Navy's position, including NAVCOMPT's Budget Justification Books. These books support the budget and programs requested by the DoN which are comprised from information gathered by major program or system commands.

However, information does not always flow smoothly. The OLA sometimes receives information before it is received by NAVCOMPT or NAVCOMPT may sometimes receive information through the OSD Comptroller that is not shared with OLA. Such information, which may be critical to the offices answering

congressional inquiries, may lead to temporary embarrassment where OLA or NAVCOMPT do not have the answers to inquiries at their fingertips.

Internally, OLA, like any complex organization, may have communication problems. Information and communication are critical to the success of OLA in meeting its mission and maintaining a united Navy front. However, at times the information flow up and down the chain-of-command may not be adequate. Because of the demands placed on the OLA Programs Office, many of the Program Officers may be out of the office on any one day, visiting Capitol Hill, with program sponsors, or at other government agencies. Thus, it is difficult to brief all the program officers daily on the latest Navy position. With all OLA "players" doing their job effectively, information may not get to the decision makers in a timely manner.

The Director of Navy Programs is the main point of contact for the Program Officers. He/she ensures that information is flowing throughout the command and that everyone is on the same track and accomplishing the same goals. Group meetings within the Programs Division are held about every two to three weeks, although typically it is impossible to get everyone together at the same time. Often, Program Officers must represent their fellow officers within the office as backup is needed.

Congress is not the only non-Navy requestor of information from OLA. The Congressional Research Service, Office of Technology Assessment, and Congressional Budget Office (CBO) are primary users of OLA's services. The CBO, for example, conducts studies for Congress and does numerous studies for the appropriations committees. By the Congressional Budget Act of 1974, CBO is restricted in requesting information from OLA only.

5. Effectiveness

It is difficult to quantify and measure "effectiveness" for an organization such as OLA. The Office of Legislative Affairs is primarily a service organization and considers itself effective if it meets the needs of its requestors, or those it services. For example, in the Senate and House Liaison Offices, where constituent requests are tracked, effectiveness may be addressed by the number of calls tracked or the speed in which they are resolved. However, OLA impact on the budget in the legislative process is more difficult to judge.

The OLA is a decentralized organization and few formal written "rules" or specific instructions exist to restrict or guide the Program Officers in doing their jobs. Such a decentralized organization allows the autonomy and flexibility necessary in accomplishing the goals of the organization.

The Navy supports the structure and function of OLA as a relatively decentralized liaison which allows specialists

within the executive to utilize their know-how in justifying Navy policies and programs to Congress. Unnecessary or confusing information to Members of Congress or staff representatives should not be provided, especially when Members or staff already know who has the information they want [Ref. 8:p. 14]. Still, responsiveness must be carefully coordinated to insure consistency with Navy decisions.

The OLA may be viewed as more proactive than the NAVCOMPT Appropriations Matters Office [Refs. 12,13]. The OLA supplies Congress with information, and pushes to get their programs approved. The NAVCOMPT, on the other hand, appears to be driven more by congressional Members' or staffers' requests for information. Then, as a facilitator, NAVCOMPT gathers the requested information and presents it to Congress.

Flexibility within the OLA organization allows for the timeliness of personal attention to legislative proposals, allowing for ease in the transmission of requested information from Congress. However, as previously discussed, information does not always flow within the chain-of-command as effectively as desired. This can lead to ineffectiveness and cause embarrassment where information is not shared with all concerned individuals.

Still, the primary concern for OLA in the legislative budget process is the approval of programs and the funding of such programs. The DoN is concerned that its budget request is funded, and success is gauged by what happens on Capitol

Hill. "Dollars" represent policy; however, the Budget Program Officer at OLA is not evaluated on the total dollar amounts authorized in his/her area.

The Office of Legislative Affairs, as a service organization, works for the Secretary of the Navy whose function is to support congressional informational requests. Because the Navy continues to use the services of OLA, OLA must be reasonably effective. Funding of Navy budget proposals is not only dependent on OLA and NAVCOMPT's legislative efforts, but also on the economy, the President, the Congress, and various other factors. Thus, it probably is not appropriate to measure the effectiveness and success of OLA based upon the dollars funded by area by each congressional committee without examining these other factors.

V. CONCLUSIONS AND RECOMMENDATIONS

This thesis investigated the Department of the Navy's (DoN's) budget process and the roles and responsibilities of two organizations involved in this process: the Navy Comptroller Office, and the Office of Legislative Affairs.

The thesis outlined the Defense Budget process of the U.S. Government including the internal DoN budget processes, beginning with the Planning, Programming, and Budget System used by the Department of Defense and concluding with the President's signing of the legislation, making the budget law. Also evaluated were the mission and responsibilities of the Naval Comptroller's Office in the formulation, presentation, and execution stages of the budget process. Specific emphasis was placed on the formulation and legislative decision processes, including NAVCOMPT's role in tracking and liaison on the budget through the appropriations committees.

The thesis also analyzed the mission and responsibilities of the Office of Legislative Affairs and defined OLA's supporting role to the Navy Comptroller in the budget related presentation, liaison and congressional budget review and enactment processes.

This research concluded that the Office of Legislative Affairs (OLA) plays a vital role in the authorization and budget process, both administratively and legislatively, after

the Navy and DoD budget is submitted to Congress. The OLA assists the authorizing committees by providing witnesses and testimony in support of Navy requests in the budget. The Comptroller of the Navy's Appropriations Matters Office provides this same function for the appropriations committees. The OLA and NAVCOMPT also track the budget through their respective congressional committees which allows the Secretary of the Navy, the Chief of Naval Operations, the Commandant of the Marine Corps, and other Navy organizations and officials, to keep a pulse on congressional action affecting Navy programs. Both OLA and NAVCOMPT assume final responsibility for gaining the maximum possible funding for all programs, making their role in the budget process most critical to the Navy mission.

The Budget Program Officer in the OLA and the NAVCOMPT Appropriations Matters Office share information on a regular basis. As the budget is tracked through Congress, a "side-by-side list," showing approved authorizations and appropriations by various congressional committees, is kept current by both offices. This list is distributed to all concerned Naval organizations, primarily Naval Warfare Sponsor Program Offices.

Both OLA and NAVCOMPT are effective in fulfilling their mission in the budget process. Both organizations support the Navy by assisting Congress in the review, "mark-up," and approval phases of the budget process. The definition of

"support" is to give assistance; OLA and NAVCOMPT fulfill this mission. It is, however, difficult to say just how effective both organizations are, as quantifying "effectiveness" for service organizations such as OLA and NAVCOMPT is not easy, if possible at all.

Perhaps further study could compare or evaluate budget proposals submitted by the Navy with the actual dollar amount appropriated to determine the influence of OLA and NAVCOMPT legislative liaison on funding, considering the effects of external factors such as the economy or Congress. Committee hearing reports and interviews with Members of Congress should provide valuable information.

It may, however, be difficult to quantify and measure the effect using data, testimony and witnesses on the authorization and appropriation processes. It would be possible to poll members of Congress involved directly in reviewing the Navy's budget to evaluate their opinions on the effectiveness of OLA and NAVCOMPT and the assistance they provide. This review might then be compared with the effectiveness of the Departments of the Army and Air Force.

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